



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION FOR AN)	ORDER OF APPROVAL
ORDER AUTHORIZING IDS TELCOM, LCC)	
TO PROVIDE LOCAL EXCHANGE)	
TELECOMMUNICATIONS SERVICE)	
THROUGHOUT NEW JERSEY)	DOCKET NO. TE00080518

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter, dated August 17, 2000, IDS Telcom, LLC (Petitioner or IDS) filed a petition with the Board of Public Utilities (Board) requesting authority to provide local exchange telecommunications services throughout the State of New Jersey. In addition, IDS responded to a Staff questionnaire by letter, dated April 29, 2002 and to Staff interrogatories by letters, dated July 3, 2002 and May 5, 2003.

According to the petition, Petitioner was organized under the laws of Florida on February 25, 1989. Petitioner's principal offices are located at 1525 Northwest 167th Street, 2nd Floor, Miami, Florida 33169. (Petition at 2. July 3, 2002 letter.)

Petitioner submitted copies of its Articles of Organization, Certificate of Good Standing and its New Jersey Certificate of Authority to operate as a Foreign Limited Liability Company, July 3, 2002 letter. According to the petition, IDS was formed to provide local exchange services. (Petition at 1.) Petitioner advised that it is currently authorized to provide both local exchange and interexchange service on both a resale and a facilities-based basis in Alabama, Delaware, Florida, Maryland, Massachusetts, Mississippi, New York, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia, and on a resale only basis in Connecticut, Kentucky, New Jersey and North Carolina.

In addition, it has authority to provide on a resale basis local service in Maine, and interexchange service in New Hampshire, North Carolina, Pennsylvania and Texas. Finally, it has authority to provide both on a resale and facilities-based basis, local service in New Hampshire and Pennsylvania, and interexchange service in Maine. (July 3, 2002 letter.)

IDS advised that it has not been denied authority to provide telecommunications services in any state and that it currently has a resale interconnection agreement with Verizon New Jersey.

In IDS's petition, Petitioner advised that it seeks authority to offer local exchange telecommunications services to business and high-capacity residential customers throughout New Jersey. IDS intends to provide service that will include but not be limited to basic exchange service, vertical services, access and high-speed data services. IDS intends to provide services using UNE-Ps and resale. (Petition at 5, 6, April 29, 2002 letter.)

Petitioner requested a waiver of N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.15 and 14:10-1.16 which require that its books and records be maintained in accordance with the Uniform system of Accounts (USOA) and within the State of New Jersey. Petitioner requested, in the interest of efficiency and to prevent undue burden, permission to maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP). (Petition at 7, July 3, 2002 letter.) Petitioner also requested permission to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Miami, Florida. (Petition at 7, July 3, 2002 letter.) Petitioner also stated that, upon written notice from the Board, it will produce its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records. (July 3, 2002 letter.)

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. (Petition at 7.) Petitioner also asserted that approval of this petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings. (Petition at 7.)

With regard to its technical and managerial qualifications, IDS stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. (Petition at 5.) Petitioner submitted the professional biographies of its key personnel who, according to IDS, are well qualified to execute its business plans, and have extensive managerial and technical experience in the telecommunications industry. (Petition at 5, Exhibit B.)

Petitioner has submitted, as evidence of its financial qualifications two years pro forma income statements and balance sheets for its New Jersey operations. (May 5, 2003 letter.)

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat.56, codified in scattered sections of 47 U.S.C. §151 et. seq., was signed into law, removing barriers to competition by providing that :

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed the IDS petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources, which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange telecommunications services in New Jersey subject to approval of its tariff. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

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Regarding the Petitioner's request for waiver of Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that Petitioner maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.

DATED: 7/9/03

BOARD OF PUBLIC UTILITIES
BY:

(signed)
JEANNE M. FOX
PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

(signed)
CAROL J. MURPHY
COMMISSIONER

(signed)
CONNIE O. HUGHES
COMMISSIONER

(signed)
JACK ALTER
COMMISSIONER

ATTEST:

(signed)
KRISTI IZZO
SECRETARY